published by the Bank. The original intention of the Bank was that the funds required far granting loans to the indebted agriculturists should be found by raising debentures. But as debentures could be issued only against securities it was found necessary that the Bank should have sufficient funds in advance to enable it to grant loans. The Government, therefore allowed a sum of Rs. 3 lakhs to the Bank under what is called the system of overdraft and at 3 per cent interest. Further, as funds raised by the issue of debentures in advance with a view to the grant of loans therefrom would involve locking up large balances resulting in loss of interest, the Government have allowed the overdraft system as a permanent measure. When the first instalment of Rs. 3 lakhs was about to be spent up, the Bank went in recently for its first issue of debentures amounting to Rs. 5 lakhs at 4 per cent and the issue was heavily subscribed for, almost the whole of the subscription having been from the Cochin public.

The assets of the Cochin Tanneries Ltd., have been reduced to possession by Government and steps are being taken to see if a rehabilitation of the concern is possible.

9. **Loan.**—The two loans taken by the State at 5 per cent and 3½ per cent, as the House is aware, amount to Rs. 105 lakhs and a sinking fund to liquidate the first 5 per cent loan is already in operation. The Government of India have agreed to grant a loan of Rs. 31 lakhs to supplement the financing of the 4th Stage Harbour Works, the same being repayable in 50 equal annual instalments at 3¾ per cent interest 10 years after. It is proposed to have a portion of the offered loan to the extent of Rs. 15 lakhs in the coming year. It may be observed that this can never be a liability to the State as the Harbour Authorities are to repay all these advances in the course of 30 years.

10. **Retrenchment Committee.**— A Retrenchment Committee was constituted in the course of the year to go into the question of making all possible retrenchment in the State since there seemed to be a misapprehension that there were several avoidable items of expenditure giving scope for effecting economies. Their report has reached the Government and is also now in the hands of the Hon'ble Members. The Government have already taken steps to give effect to the few suggestions made therein, wherever possible, various retrenchments having been already made or under consideration just before the constitution of the Committee.

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